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SUBJECT: MEDIA REACTION: U.S.-CHINA-TAIWAN RELATIONS, CROSS-STRAIT RELATIONS

¶1. Summary: Taiwan's major Chinese-language focused May 31-June 2 news coverage on various new developments in cross-Straits relations; on DPP Chairperson Tsai Ing-wen's interview with print media Sunday, in which she expressed concern over the KMT's approach to handling cross-Straits relations; and on Premier Liu Chao-shiuan's first administrative report to the Legislature last Friday. The centrist, KMT-leaning "China Times" front-paged a banner headline June 2 that said "Beijing Authorities: Missiles Targeting Taiwan Will No Longer Increase and Will Be Gradually Removed." The pro-unification "United Daily News" also ran a news story on page four on June 1, which quoted U.S. National Security Council Senior Director for East Asian Affairs Dennis Wilder as saying Saturday that the United States is not worried that cross-Straits relations will become too intimate.

¶2. In terms of editorials and commentaries, a "China Times" weekly column discussed the transition of power in Taiwan and its impact on the future direction of cross-Straits relations. The article said for the near future, the core of Washington's cross-Straits policy will be to maintain a "dynamic" balance to ensure stability in the entire Asia Pacific region. An editorial in the pro-independence "Liberty Times," however, opined that the KMT's wishful thinking and unilateral trust in Beijing will push Taiwan into an abyss. An op-ed piece in the pro-independence, English-language "Taipei Times" also questioned whether President Ma Ying-jeou and the KMT are tilting toward China. An editorial in the conservative, pro-unification, English-language "China Post," on the other hand, said Taiwan's participation in the World Health Organization will serve as a litmus test for the future development of cross-Straits relations. End summary.

¶3. U.S.-China-Taiwan Relations

"Change of the Ruling Political Party in Taiwan and Future Direction of Cross-Straits Relations"

Huan Guocang, original partner to the Primus Pacific Partners company (Hong Kong), commented in the centrist, KMT-leaning "China Times" [circulation: 400,000] (6/2):

"... Beijing is now in an era in which it is facing no direct and immediate security and military threats. Beijing is not a global superpower; instead, it is a regional power with growing influence on global affairs, and its fundamental security interests lie in the Asia Pacific area. It appears that Beijing's basic security strategy has been established in a relatively stable climate, in which China's continuous economic growth and social stability can be ensured, so that it can exercise its influence in international affairs. For Beijing, over the past decade, the only possible source of a major military conflict or even a war was cross-Straits relations. An antagonistic cross-Straits relationship will not have a significant impact on mainland China's political and economic development, but it can certainly create a negative influence on its security and international relations (in particular, Beijing's relations with Washington and Tokyo.)

"But the KMT's return to power will be able to improve cross-Strait relations in the following four years, or even longer, and this will generate a profound impact on the international climate that Beijing is facing. At least for now, relations between Beijing and Washington do not focus on security and military competition, but on political and ideological clashes, which, as a result, will bring along the clashes (and cooperation) of economic interests. Alleviated cross-Strait relations will be conducive to improved security and military relations across the Taiwan Strait and thereby advance relations in their entirety. ...

"For Washington, Beijing's importance is far higher than that of Taipei. At least in the near future, the core of Washington's cross-Strait policy will be to maintain a dynamic balance so as to ensure stability in the entire Asia-Pacific region. The so-called 'dynamic' refers to the changes in the internal and external conditions of the triangular relationship, the adjustments and revisions to the different stages of its policy objectives, and the various interactions among the three sides. The interactions of these over the past two decades have, to a certain extent, changed the original positions, strategies and adaptability of the three sides, but the basic framework remains more or less the same. Under certain conditions, a relatively tense cross-Strait relationship may become a 'card' played by Washington to bargain back and forth with Beijing. But Washington does not want this card, which has its individual characteristics, to sabotage its plan. This is why over the past eight years, an antagonistic cross-Strait relationship has contributed nothing to the DPP administration's efforts to enhance [Taiwan's] status in the international community, and instead, it has impaired Taiwan's economic developments. If Washington's relations with Beijing remain fundamentally stable, Beijing's relations with Tokyo will improve quickly. At least for now, most RELATIONS

countries in the Asia-Pacific region have no direct and nonnegotiable conflicts with both sides of the Taiwan Strait in terms of security and military interests. It should be the hope of every side to see Beijing and Taipei get along with each other in peace.

"Both sides of the Taiwan Strait should be able to gradually develop mutual trust and expand mutual interests in the next four years. Taipei's 'involvement in the international activities' will be a relatively complicated issue. But given the wisdom and open-mindedness of the caliber of talents on both sides of the Taiwan Strait, a model which is acceptable to both sides should be able to be invented. This is because a significant and thorough improvement in cross-Strait relations and the continuation of this trend for the next four or even eight years are in the basic interests of both sides of the Taiwan Strait and of international society."

14. Cross-Strait Relations

A) "Why Does Taiwan Need to Follow Beijing's Orders and Deliberately Curry Favor with It?"

The pro-independence "Liberty Times" [circulation: 700,000] editorialized (6/2):

"... Judging from the perspective of breaking the deadlock of cross-Strait relations, the meeting between [KMT Chairman] Wu Poh-hsiung and his Chinese Communist Party counterpart Hu Jintao has naturally achieved a certain effect. But one cannot suddenly jump to a conclusion that cross-Strait relations have improved just by looking at the surface phenomenon. On the contrary, an accurate assessment cannot be made until the impact of the contents of the Wu-Hu meeting are thoroughly reviewed and evaluated. Frankly speaking, the achievements boasted by the KMT will likely create a false appearance of peace across the Taiwan Strait, but judging by the overall situation, more harm was done than good, and some of the issues will only bring Taiwan to tilt more deeply toward China economically and will entangle Taiwan with China more intensely in cultural, social and geopolitical arenas. In particular, China has extended a goodwill gesture by saying that it is willing to consider Taiwan's participation in international organizations, or even, as relayed by Wu, China will be unlikely to launch missiles against

Taiwan and will reduce the missiles targeting Taiwan. It remains to be seen whether China will really make such concessions. But should it really happen, it will certainly be a move away from Beijing's United Front tactics. The KMT's wishful thinking and unilateral trust in China's goodwill will push Taiwan into an abyss. Taiwan will meet a cruel death if it does not watch out. ..."

B) "Questions for Ma That Won't Just Disappear"

Liu Shih-chung, a Taipei-based political commentator, opined in the pro-independence, English-language "Taipei Times" [circulation: 30,000] (6/1):

"... But whether Beijing will relax its diplomatic stranglehold on Taiwan is uncertain. Getting results in this regard constitutes Ma's greatest challenge. Ma is using his mandate of 58 percent of the vote to assimilate the DPP legacy of building Taiwanese identity - but simply out of electoral concerns. Yet when the KMT contacts Beijing, Ma sets aside notions of a Taiwan-centered identity. Is Ma doing this in the national interest? Is he a man of principle? Can he stand up to hardcore pro-unification forces, including the old guard led by former KMT chairman Lien Chan? Or is he simply an opportunist? These are questions that cannot be answered for now. But the public needs them soon."

C) "Taiwan's WHO Role - a Litmus Test"

The conservative, pro-unification, English-language "China Post" [circulation: 30,000] editorialized (5/31):

"... But nothing was more dramatic than the remarks made by mainland Chinese leader Hu Jintao on Wednesday when he told a high-level delegation from Taiwan's ruling Kuomintang that Beijing is willing to discuss the issue of Taiwan's involvement in international activities when regular cross-strait dialogue resumes. ... It is encouraging, therefore, to see Hu's candor in responding to the issue that was 'out of the question' during the era of Lee Teng-hui and Chen Shui-bian with whom Beijing had refused to deal with. Hu's change of attitude promises a new era of detente and blossoming ties that would create a win-win situation for both sides. The upbeat assessment is based on what has transpired in the first party-to-party talks -- both sides trying to rebuild the shattered mutual trust and to seek common grounds despite differences. Both sides were trying to avoid sensitive political issues in favor of practicality. ... This commonness is cause for optimism for a RELATIONS

win-win outcome from the cross-strait thaw, including Taiwan's status, or role -- whatever it may be -- in the WHO or WHA."

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